

117TH CONGRESS
1ST SESSION

H. R. 5129

To amend the Community Services Block Grant Act to reauthorize and modernize the Act.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 31, 2021

Ms. BONAMICI (for herself, Mr. THOMPSON of Pennsylvania, Ms. MCCOLLUM, Ms. STEFANIK, Mr. DESAULNIER, and Mr. COMER) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To amend the Community Services Block Grant Act to reauthorize and modernize the Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Community Services
5 Block Grant Modernization Act of 2021”.

6 **SEC. 2. REAUTHORIZATION.**

7 Subtitle B of title VI of the Omnibus Budget Rec-
8 onciliation Act of 1981 (42 U.S.C. 9901 et seq.) is amend-
9 ed to read as follows:

1 **“Subtitle B—Community Services**
2 **Block Grant Program**

3 **“SEC. 671. SHORT TITLE.**

4 “This subtitle may be cited as the ‘Community Serv-
5 ices Block Grant Act’.

6 **“SEC. 672. PURPOSES.**

7 “The purposes of this subtitle are—

8 “(1) to reduce poverty in the United States by
9 supporting the activities of community action agen-
10 cies that improve the economic security of low-in-
11 come individuals and families and create new eco-
12 nomic opportunities in the communities where they
13 live; and

14 “(2) to accomplish the purposes described in
15 paragraph (1) by—

16 “(A) strengthening community capabilities
17 for identifying poverty conditions and opportu-
18 nities to alleviate such conditions;

19 “(B) empowering residents of the low-in-
20 come communities served to respond to the
21 unique problems and needs within their commu-
22 nities through their maximum feasible partici-
23 pation in advising, planning and evaluating the
24 programs, projects, and services funded under
25 this subtitle;

1 “(C) using innovative community-based ap-
2 proaches that produce a measurable impact on
3 the causes and effects of poverty, including
4 whole family approaches that create opportuni-
5 ties for, and address the needs of, parents and
6 children together;

7 “(D) coordinating Federal, State, local,
8 and other assistance, including private re-
9 sources, related to the reduction of poverty so
10 that resources can be used in a manner respon-
11 sive to local needs and conditions; and

12 “(E) broadening the resources directed to
13 the elimination of poverty, so as to promote
14 partnerships that include—

15 “(i) private, religious, charitable, and
16 neighborhood-based organizations; and

17 “(ii) individuals, businesses, labor or-
18 ganizations, professional organizations,
19 and other organizations engaged in ex-
20 panding opportunities for all individuals.

21 **“SEC. 673. DEFINITIONS.**

22 “In this subtitle:

23 “(1) AGENCY-WIDE STRATEGIC PLAN.—The
24 term ‘agency-wide strategic plan’ means a plan that
25 has been adopted by an eligible entity within the

1 past 5 years and establishes goals that include meet-
2 ing needs identified by the entity in consultation
3 with residents of the community through a process
4 of comprehensive community needs assessment.

5 “(2) COMMUNITY ACTION AGENCY.—The term
6 ‘community action agency’ means an eligible entity
7 (which meets the requirements of paragraph (1) or
8 (2), as appropriate, of section 680(c)) that delivers
9 multiple programs, projects, and services to a variety
10 of low-income individuals and families.

11 “(3) COMMUNITY ACTION PLAN.—The term
12 ‘community action plan’ means a detailed plan, in-
13 cluding a budget, that is adopted by an eligible enti-
14 ty, for expenditures of funds appropriated for a fis-
15 cal year under this subtitle for the activities sup-
16 ported directly or indirectly by such funds.

17 “(4) COMMUNITY SERVICES NETWORK ORGANI-
18 ZATION.—The term ‘community services network or-
19 ganization’ means any of the following organizations
20 funded under this subtitle:

21 “(A) A grantee.

22 “(B) An eligible entity.

23 “(C) An association with a membership
24 composed primarily of grantees, eligible entities,
25 or associations of grantees or eligible entities.

1 “(5) DEPARTMENT.—The term ‘Department’
2 means the Department of Health and Human Serv-
3 ices.

4 “(6) ELIGIBLE ENTITY.—The term ‘eligible en-
5 tity’ means an entity—

6 “(A) that is an eligible entity described in
7 section 673(1) (as in effect on the day before
8 the date of enactment of the Community Serv-
9 ices Block Grant Modernization Act of 2021) as
10 of the day before such date of enactment, or
11 has been designated by the process described in
12 section 680(a) (including an organization serv-
13 ing migrant or seasonal farmworkers that is so
14 described or designated); and

15 “(B) that has a tripartite board described
16 in paragraph (1) or (2), as appropriate, of sec-
17 tion 680(c).

18 “(7) EVIDENCE-BASED PRACTICE.—The term
19 ‘evidence-based practice’ means an activity, strategy,
20 or intervention that—

21 “(A) demonstrates a statistically signifi-
22 cant effect on improving relevant outcomes
23 based on at least one well-designed and well-im-
24 plemented experimental or quasi-experimental
25 study, or at least one well-designed and well-im-

1 plemented correlational study with statistical
2 controls for selection bias, and includes ongoing
3 efforts to examine the effects of such activity,
4 strategy, or intervention; or

5 “(B) demonstrates a rationale based on
6 high-quality research findings or positive eval-
7 uation that such activity, strategy, or interven-
8 tion is likely to improve relevant outcomes; and
9 includes ongoing efforts to examine the effects
10 of such activity, strategy, or intervention.

11 “(8) GRANTEE.—The term ‘grantee’ means a
12 recipient of a grant under section 675 or 676 of this
13 subtitle.

14 “(9) POVERTY LINE.—

15 “(A) IN GENERAL.—The term ‘poverty
16 line’ means the official poverty line defined by
17 the Office of Management and Budget, based
18 on the most recent data available from the Bu-
19 reau of the Census. The Secretary shall revise
20 the poverty line annually (or at any shorter in-
21 terval the Secretary determines to be feasible
22 and desirable). The required revision shall be
23 accomplished by multiplying the official poverty
24 line by the percentage change in the Consumer
25 Price Index for All Urban Consumers during

1 the annual or other interval immediately pre-
2 ceding the time at which the revision is made.

3 “(B) COMMUNITY SERVICES BLOCK GRANT
4 ELIGIBILITY CRITERION.—Subject to subpara-
5 graph (C), 200 percent of the poverty line, as
6 defined in subparagraph (A), shall be used as
7 a criterion of eligibility for services or assist-
8 ance provided to individuals or families through
9 the community services block grant program es-
10 tablished under this subtitle.

11 “(C) PROCEDURES FOR CONTINUED ELIGI-
12 BILITY.—A State may establish procedures to
13 ensure that a participant in a program, project,
14 or service funded under this subtitle remains el-
15 igible to participate as long as the participant
16 is successfully progressing toward achievement
17 of the goals of the program, project, or service,
18 regardless of any income eligibility criteria used
19 to determine the participant’s initial eligibility.

20 “(10) PRIVATE, NONPROFIT ORGANIZATION.—

21 The term ‘private, nonprofit organization’ means a
22 domestic organization that is—

23 “(A) described in section 501(e)(3) of the
24 Internal Revenue Code of 1986 and exempt

1 from taxation under section 501(a) of such
2 Code; and

3 “(B) described in paragraph (1) or (2) of
4 section 509(a) of the Internal Revenue Code of
5 1986.

6 “(11) SECRETARY.—The term ‘Secretary’
7 means the Secretary of Health and Human Services.

8 “(12) SERVICE AREA.—The term ‘service area’
9 means the unique geographic area which the State
10 has designated as the area to be served by an eligi-
11 ble entity with funding under section 679(a)(1).

12 “(13) STATE.—The term ‘State’ means any of
13 the several States, the District of Columbia, the
14 Commonwealth of Puerto Rico, Guam, the United
15 States Virgin Islands, American Samoa, or the Com-
16 monwealth of the Northern Mariana Islands.

17 **“SEC. 674. AUTHORIZATION OF COMMUNITY SERVICES**
18 **BLOCK GRANT PROGRAM.**

19 “(a) AUTHORIZATION OF PROGRAM.—The Secretary
20 is authorized to carry out a community services block
21 grant program and to make grants through the program,
22 under sections 675 and 676, to States to support local
23 community action plans carried out by eligible entities to
24 reduce poverty in the communities served by such entities.

1 “(b) AUTHORITY OF SECRETARY.—The Secretary is
2 authorized to carry out other community programs de-
3 scribed in section 690.

4 “(c) UNIFORM ADMINISTRATIVE REQUIREMENTS,
5 COST PRINCIPLES, AND AUDIT REQUIREMENTS.—Not-
6 withstanding any other provision of the Omnibus Budget
7 Reconciliation Act of 1981 (Public Law 97–35) or of sec-
8 tion 75.101(d)(1), part 75 of title 45, Code of Federal
9 Regulations, funds authorized to be appropriated under
10 this subtitle shall be subject to all subparts of the uniform
11 administrative requirements, cost principles, and audit re-
12 quirements for Federal awards as adopted in regulations
13 promulgated by the Secretary to implement the Uniform
14 Administrative Requirements, Cost Principles, and Audit
15 Requirements under part 200 of title 2, Code of Federal
16 Regulations, or any corresponding similar regulation (in-
17 cluding part 75 of title 45, Code of Federal Regulations,
18 or any corresponding similar regulation), except for provi-
19 sions on termination, withholding and suspension of funds,
20 as well as all other Federal laws and regulations related
21 to intergovernmental financial transactions and to admin-
22 istration of federally funded grants and cooperative agree-
23 ments between States and nonprofit organizations, or local
24 governments, as applicable.

1 **“SEC. 675. GRANTS TO TERRITORIES.**

2 “(a) APPORTIONMENT.—The Secretary shall appor-
3 tion the amount reserved under section 691(c)(1) for each
4 fiscal year on the basis of need to eligible jurisdictions,
5 among Guam, American Samoa, the United States Virgin
6 Islands, and the Commonwealth of the Northern Mariana
7 Islands.

8 “(b) GRANTS.—The Secretary shall make a grant to
9 each eligible jurisdiction to which subsection (a) applies
10 for the amount apportioned under subsection (a).

11 **“SEC. 676. ALLOTMENTS AND GRANTS TO STATES.**

12 “(a) ALLOTMENTS IN GENERAL.—From the amount
13 appropriated under section 691(a) for each fiscal year and
14 remaining after the Secretary makes the reservations re-
15 quired by section 691(c), the Secretary shall allot to each
16 eligible State, subject to section 677, an amount that
17 bears the same ratio to such remaining amount as the
18 amount received by the State for fiscal year 1981 under
19 section 221 of the Economic Opportunity Act of 1964 bore
20 to the total amount received by all States for fiscal year
21 1981 under such section, except as provided in subsection
22 (b).

23 “(b) MINIMUM ALLOTMENTS.—

24 “(1) IN GENERAL.—The Secretary shall allot to
25 each State not less than $\frac{1}{2}$ of 1 percent of the
26 amount appropriated under section 691(a) for such

1 fiscal year and remaining after the Secretary makes
2 the reservations required by section 691(c).

3 “(2) YEARS WITH GREATER AVAILABLE
4 FUNDS.—Notwithstanding paragraph (1), if the
5 amount appropriated under section 691(a) for a fis-
6 cal year and remaining after the Secretary makes
7 the reservations required by section 691(c) exceeds
8 \$900,000,000, no State shall receive under this sec-
9 tion less than $\frac{3}{4}$ of 1 percent of the remaining
10 amount.

11 “(c) GRANTS AND PAYMENTS.—Subject to section
12 677, the Secretary shall make grants to eligible States for
13 the allotments described in subsections (a) and (b). The
14 Secretary shall make payments for the grants in accord-
15 ance with section 6503(a) of title 31, United States Code.
16 The Secretary shall allocate the amounts allotted under
17 subsections (a) and (b) quarterly, notify the States of their
18 respective allocations and make each State’s quarterly al-
19 location amount available for expenditure by the State no
20 later than 30 days after the start of the fiscal quarter for
21 which the Secretary is allocating the funds.

22 “(d) DEFINITION.—In this section, the term ‘State’
23 does not include Guam, American Samoa, the United
24 States Virgin Islands, and the Commonwealth of the
25 Northern Mariana Islands.

1 **“SEC. 677. PAYMENTS TO INDIAN TRIBES.**

2 “(a) DEFINITIONS.—In this section:

3 “(1) INDIAN.—The term ‘Indian’ means a
4 member of an Indian tribe or tribal organization.

5 “(2) INDIAN TRIBE OR TRIBAL ORGANIZA-
6 TION.—The term ‘Indian tribe or tribal organiza-
7 tion’ means a tribe, band, or other organized group
8 recognized in the State in which the tribe, band, or
9 group resides, or considered by the Secretary of the
10 Interior, to be an Indian tribe or an Indian organi-
11 zation for any purpose.

12 “(b) RESERVATION.—

13 “(1) APPLICATION.—Paragraph (2) shall apply
14 only if, with respect to any State, the Secretary—

15 “(A) receives a request from the governing
16 body of an Indian tribe or tribal organization
17 within such State that assistance under this
18 subtitle be made available directly to such tribe
19 or organization; and

20 “(B) determines that the members of such
21 Indian tribe or tribal organization would be bet-
22 ter served by means of grants made directly to
23 such tribe or organization to provide benefits
24 under this subtitle.

25 “(2) AMOUNT.—The Secretary shall reserve
26 from amounts allotted to a State under section 676

1 for a fiscal year, not less than the amount that bears
2 the same ratio to the State allotment for the fiscal
3 year as the population of all eligible Indians for
4 whom a determination has been made under para-
5 graph (1) bears to the population of all individuals
6 eligible for assistance through a grant made under
7 section 676 to such State.

8 “(c) AWARDS.—The amount reserved by the Sec-
9 retary on the basis of a determination made under sub-
10 section (b)(1)(B) shall be made available by grant to the
11 Indian tribe or tribal organization serving the Indians for
12 whom the determination has been made under subsection
13 (b)(1)(B).

14 “(d) PLAN.—In order for an Indian tribe or tribal
15 organization to be eligible for a grant award for a fiscal
16 year under this section, the tribe or organization shall sub-
17 mit to the Secretary a plan for such fiscal year that meets
18 such criteria as the Secretary may prescribe by regulation.

19 “(e) ALTERNATIVE PERFORMANCE MEASUREMENT
20 SYSTEM.—The Secretary may implement alternative re-
21 quirements for tribal implementation of the requirements
22 of section 686(a).

23 **“SEC. 678. STATE PLANS AND APPLICATIONS; COMMUNITY**
24 **ACTION PLANS AND APPLICATIONS.**

25 “(a) STATE LEAD AGENCY.—

1 “(1) DESIGNATION.—The chief executive officer
2 of a State desiring to receive a grant under section
3 675 or 676 shall designate, in an application sub-
4 mitted to the Secretary under subsection (b), an ap-
5 propriate State agency that agrees to comply with
6 the requirements of paragraph (2), to act as a lead
7 agency for purposes of carrying out State activities
8 under this subtitle.

9 “(2) DUTIES OF STATE LEAD AGENCIES.—The
10 State lead agency—

11 “(A) shall be authorized by the chief execu-
12 tive officer to convene State agencies and co-
13 ordinate information and activities funded
14 under this subtitle;

15 “(B) shall develop the State plan to be
16 submitted to the Secretary under subsection
17 (b), which shall be based primarily on the com-
18 munity action plans of eligible entities, sub-
19 mitted to the State as a condition of receiving
20 funding under this subtitle;

21 “(C) in conjunction with the development
22 or revision of the State plan as required under
23 subsection (b)—

24 “(i) shall hold at least one hearing in
25 the State on the proposed plan or proposed

1 revised plan, to provide to the public an
2 opportunity to comment on the public
3 record on the proposed use and distribu-
4 tion of funds under the plan; and

5 “(ii) not less than 15 days prior to
6 the hearing, shall distribute notice of the
7 hearing and a copy of the proposed plan or
8 plan revision statewide to the public and
9 directly to the chief executive officer and
10 the chairperson of the board of each of the
11 eligible entities (or designees) and other
12 community services network organizations;
13 and

14 “(D) not less often than every 3 years, in
15 conjunction with the development of the State
16 plan, shall hold at least 1 legislative hearing.

17 “(b) STATE APPLICATION FOR STATE PROGRAM AND
18 STATE PLAN.—Beginning with the first fiscal year fol-
19 lowing the transition period described in section 3 of the
20 Community Services Block Grant Modernization Act of
21 2021, to be eligible to receive a grant under section 675
22 or 676, a State shall prepare and submit to the Secretary
23 for approval an application containing a State plan cov-
24 ering a period of not more than 2 fiscal years. The applica-
25 tion shall be submitted not later than 60 days prior to

1 the beginning of the first fiscal year covered by the plan,
2 and shall contain such information as the Secretary shall
3 require, including—

4 “(1) a description of the manner in which funds
5 made available through the grant under section 675
6 or 676 will be used to carry out the State activities
7 described in section 679(b) and the State’s commu-
8 nity action plans;

9 “(2) a description summarizing the community
10 action plans of the eligible entities serving the State;

11 “(3) an assurance that the State and all eligible
12 entities in the State will participate in a perform-
13 ance measurement system under section
14 686(a)(1)(A);

15 “(4) a plan for the State’s oversight of eligible
16 entities;

17 “(5) an assurance that the State will pay eligi-
18 ble entities in advance consistent with the Uniform
19 Guidance;

20 “(6) an assurance that no eligible entity in the
21 State that received, in the previous fiscal year, fund-
22 ing through a grant made under section 675 or 676
23 will have such funding withheld, nor reduced below
24 the proportional share of funding the entity received
25 from the State in the previous fiscal year, nor elimi-

1 nated, nor its designation as an eligible entity termi-
2 nated, unless, after providing the affected entity (or
3 entities, as applicable) with notice and an oppor-
4 tunity for a hearing on the record, the State deter-
5 mines that cause exists for such withholding, reduc-
6 tion, or elimination of funding or for termination of
7 designation, subject to review by the Secretary as
8 provided in subsection (c) of section 684; and, in the
9 case of failure of an eligible entity to comply with
10 the terms of a corrective action plan relating to cor-
11 rection of a serious deficiency, except according to
12 the procedures set forth in subsection (b) of section
13 684. For purposes of this subsection, the term
14 ‘cause’ means—

15 “(A) the failure of an eligible entity to
16 comply with the terms of a corrective action
17 plan relating to correction of a serious defi-
18 ciency as described in subsection 684(b); or

19 “(B) a statewide proportional distribution
20 of funds provided through a community services
21 block grant under this subtitle to respond to—

22 “(i) the results of the most recently
23 available census or other appropriate de-
24 mographic data;

25 “(ii) severe economic dislocation; or

1 “(iii) the designation of an eligible en-
2 tity to serve a geographic area that has
3 been unserved for at least the previous 5
4 years;

5 “(7) an assurance that each eligible entity serv-
6 ing the State has established procedures that permit
7 a low-income individual or organization to petition
8 for adequate representation of such individuals or
9 organizations, respectively, on the board of the eligi-
10 ble entity; and

11 “(8) a description of outcome measures to be
12 used to measure State and eligible entity perform-
13 ance in achieving the goals of the State plan and the
14 community action plans, respectively.

15 “(c) APPROVAL.—The Secretary shall notify the chief
16 executive officer of each State submitting an application
17 containing a State plan under this section, of the approval,
18 disapproval, or approval in part, of the application, within
19 45 days after receiving the application. In the event of
20 a full or partial disapproval, the Secretary’s notification
21 shall include a description of changes necessary for final
22 approval. In the event of a partial approval, the Secretary
23 may allow grantee use of funds for activities included in
24 the portions of the plan which the Secretary has approved.
25 In the event a State application fails to be approved in

1 whole or in part before the end of the third month of the
2 period covered by such plan the Secretary may award
3 funding directly to eligible entities and other community
4 services network organizations in the State (other than the
5 State itself) as specified in section 684(a)(5)(B).

6 “(d) PUBLIC INSPECTION.—Each plan and revision
7 to a State plan prepared under this section shall be dis-
8 tributed for public inspection and comment. A hearing on
9 such plan or revision shall be held as required under sub-
10 paragraphs (C) and (D) of subsection (a)(2), but a State
11 application for merger, combination, or privatization of en-
12 tities under section 680(b) shall not be considered a revi-
13 sion.

14 “(e) ELIGIBLE ENTITY APPLICATION AND COMMU-
15 NITY ACTION PLAN.—Beginning with the first fiscal year
16 following the transition period described in section 3 of
17 the Community Services Block Grant Modernization Act
18 of 2021, to be eligible to receive a subgrant under section
19 679(a), each eligible entity shall prepare and submit to
20 the State an application containing a community action
21 plan or plans covering a period of not more than 2 fiscal
22 years. Such application shall be submitted in a reasonable
23 and timely manner as required by the State. The applica-
24 tion shall contain information on the intended implemen-

1 tation of the eligible entity’s activities, including dem-
2 onstrating how the activities will—

3 “(1) meet needs identified in the most recent
4 comprehensive community needs assessment which
5 has been conducted within the past 3 years and
6 which may be coordinated with community needs as-
7 sessments conducted for other programs; and

8 “(2) achieve the purposes of this subtitle
9 through programs, projects, and services.

10 **“SEC. 679. STATE AND LOCAL USES OF FUNDS.**

11 “(a) STATE SUBGRANTS TO ELIGIBLE ENTITIES AND
12 OTHER ORGANIZATIONS.—

13 “(1) IN GENERAL.—A State that receives a
14 grant under section 675 or 676 shall use not less
15 than 90 percent to make subgrants to eligible enti-
16 ties that enable the entities to implement programs,
17 projects, and services for a purpose described in sec-
18 tion 672.

19 “(2) OBLIGATIONAL REQUIREMENTS.—

20 “(A) DATE OF OBLIGATION.—The State
21 shall obligate the funds for subgrants described
22 in paragraph (1) not later than the later of—

23 “(i) the 30th day after the date on
24 which the State receives from the Sec-
25 retary a notice of funding availability for

1 the State’s application under section 678;
2 or

3 “(ii) the first day of the State pro-
4 gram year for which such funds are to be
5 expended under the State application.

6 “(B) AVAILABILITY.—The State shall
7 make available to eligible entities for expendi-
8 ture the funds for subgrants described in para-
9 graph (1) not later than 30 days after receiving
10 notice from the Secretary of the State’s quar-
11 terly allocation under section 676(c). Funds al-
12 located to eligible entities through subgrants
13 made under paragraph (1) for a fiscal year
14 shall be available for obligation by the eligible
15 entity during that fiscal year and the suc-
16 ceeding fiscal year.

17 “(b) STATEWIDE ACTIVITIES.—

18 “(1) USE OF REMAINDER.—

19 “(A) IN GENERAL.—A State that receives
20 a grant under section 675 or 676 shall, after
21 carrying out subsection (a), use the remainder
22 of the grant funds for activities described in the
23 State’s application under section 678(b) as de-
24 scribed in subparagraph (B) and for adminis-

1 trative expenses subject to the limitations in
2 paragraph (2).

3 “(B) TRAINING AND TECHNICAL ASSIST-
4 ANCE.—After applying subsection (a), the State
5 may use the remaining grant funds for the pur-
6 poses of—

7 “(i) providing to eligible entities train-
8 ing and technical assistance and resources
9 to respond to statewide or regional condi-
10 tions that create economic insecurity, in-
11 cluding, but not limited to, emergency con-
12 ditions;

13 “(ii) supporting professional develop-
14 ment activities for eligible entities that en-
15 hance the skills of their local personnel (in-
16 cluding members of the board of directors
17 of such entities) in organizational manage-
18 ment, service delivery, and program devel-
19 opment and management, giving priority to
20 activities carried out through partnerships
21 of such entities with institutions of higher
22 education;

23 “(iii) supporting information and com-
24 munication resources for the comprehen-

1 sive community needs assessments de-
2 scribed in section 678(e)(1);

3 “(iv) supporting performance meas-
4 urement systems consistent with the re-
5 quirements of section 686;

6 “(v) promoting coordination and co-
7 operation among eligible entities in the
8 State, including supporting activities of a
9 statewide association of community serv-
10 ices network organizations;

11 “(vi) providing training and technical
12 assistance and resources to assist eligible
13 entities in building and using evidence de-
14 signed to reduce poverty conditions, includ-
15 ing entities participating in or proposing to
16 participate in the Community Action Inno-
17 vations Program established under section
18 682(a)(2); and

19 “(vii) supporting efforts of eligible en-
20 tities to identify and respond to physical
21 and behavioral health challenges (including
22 substance use disorders) experienced by
23 low-income individuals, families, and com-
24 munities.

25 “(2) ADMINISTRATIVE CAP.—

1 “(A) LIMITATION.—Of the amounts re-
2 maining after the required funding for sub-
3 grants described under subsection (a)(1), a
4 State shall not spend more than 5 percent of its
5 grant under section 675 or 676 for administra-
6 tive expenses.

7 “(B) DEFINITION.—In this paragraph, the
8 term ‘administrative expenses’—

9 “(i) means the costs incurred by the
10 State’s lead agency for carrying out plan-
11 ning and management activities, including
12 monitoring, oversight, and reporting as re-
13 quired by this Act; and

14 “(ii) does not include the cost of ac-
15 tivities conducted under paragraph (1)(B)
16 other than monitoring.

17 “(c) ELIGIBLE ENTITY USE OF FUNDS.—An eligible
18 entity that receives a subgrant under subsection (a)(1)
19 shall use the subgrant funds to carry out a community
20 action plan that shall include—

21 “(1) programs, projects, and services that pro-
22 vide low-income individuals and families with oppor-
23 tunities—

24 “(A) to identify and develop strategies to
25 remove obstacles and solve problems that block

1 access to opportunity, economic stability, and
2 achievement of self-sufficiency;

3 “(B) to secure and retain meaningful em-
4 ployment at a family supporting wage;

5 “(C) to secure an adequate education, im-
6 prove literacy and language skills, and obtain
7 job-related skills;

8 “(D) to make effective use of available in-
9 come and build assets;

10 “(E) to obtain and maintain adequate
11 housing and a safe and healthy living environ-
12 ment;

13 “(F) to address health needs and improve
14 health and well-being;

15 “(G) to obtain emergency materials or
16 other assistance to meet immediate individual
17 or community urgent needs and prevent greater
18 or more prolonged economic instability; and

19 “(H) to achieve greater participation in
20 community affairs; and

21 “(2) activities that develop and maintain—

22 “(A) partnerships for the purpose of ad-
23 dressing community, economic, and social con-
24 ditions of poverty and promoting healthy com-
25 munities, between the eligible entity and—

1 “(i) State and local public entities;
2 and

3 “(ii) private partners, including state-
4 wide and local businesses, associations of
5 private employers, and private charitable
6 and civic organizations;

7 “(B) linkages with public and private orga-
8 nizations for coordinating initiatives, services,
9 and investments so as to avoid duplication, and
10 maximize the effective use of community re-
11 sources for creating economic opportunity, in-
12 cluding developing lasting social and economic
13 assets; and

14 “(C) new investments in the community to
15 reduce the incidence of poverty, including devel-
16 oping lasting social and economic assets.

17 **“SEC. 680. ELIGIBLE ENTITIES AND TRIPARTITE BOARDS.**

18 “(a) DESIGNATION AND REDESIGNATION OF ELIGI-
19 BLE ENTITIES IN UNSERVED AREAS.—

20 “(1) IN GENERAL.—If any geographic area of a
21 State is not, or ceases to be, served by an eligible
22 entity, the State lead agency may, in consultation
23 with local officials and organizations representing
24 the area, solicit one or more applications and des-
25 ignate a new community action agency to provide

1 programs, projects, and services to the area, that
2 is—

3 “(A) a community action agency that is a
4 private, nonprofit organization and that is geo-
5 graphically located in an area within reasonable
6 proximity of, or contiguous to, the unserved
7 area that is already providing similar programs,
8 projects, and services, and that has dem-
9 onstrated financial capacity to manage and ac-
10 count for Federal funds; or

11 “(B) if no community action agency de-
12 scribed in subparagraph (A) is available, a pri-
13 vate, nonprofit organization (which may include
14 an eligible entity) that is geographically located
15 in, or is in reasonable proximity to, the
16 unserved area and that is capable of providing
17 a broad range of programs, projects, and serv-
18 ices designed to achieve the purposes of this
19 subtitle as stated in section 672.

20 “(2) REQUIREMENT.—In order to serve as the
21 eligible entity for the service area, an entity de-
22 scribed in paragraph (1) shall agree to ensure that
23 the governing board of directors of the entity will
24 meet the requirements of subsection (c).

1 “(3) COMMUNITY.—A service area referred to
2 in this subsection or a portion thereof shall be treat-
3 ed as a community for purposes of this subtitle.

4 “(b) MERGER, COMBINATION, OR PRIVATIZATION OF
5 ELIGIBLE ENTITIES.—

6 “(1) IN GENERAL.—If an eligible entity receiv-
7 ing subgrant funds makes a determination described
8 in paragraph (2) and notifies the State, the State—

9 “(A) shall assist in developing a plan for
10 implementing such merger, combination, or pri-
11 vatization, including a budget for transitional
12 costs not to exceed 2 years in duration;

13 “(B) in the case of a merger or combina-
14 tion, shall provide to the merged or combined
15 entity an amount of funding under section
16 679(a)(1) equal to the sum of amounts the
17 merged or combined entities each received
18 under section 679(a)(1) immediately prior to
19 the merger or combination.

20 “(2) COVERED MERGER, COMBINATION, OR PRI-
21 VATIZATION.—This subsection applies when—

22 “(A) 2 or more eligible entities determine
23 that the geographic areas of a State that they
24 serve can be more effectively served under com-
25 mon control or shared management; or

1 “(B) a public organization that is an eligi-
2 ble entity determines that the area it serves can
3 be more effectively served if it becomes a pri-
4 vate, nonprofit organization.

5 “(3) PLANS.—A State may establish require-
6 ments for merger, combination, or privatization
7 plans and for a determination that the merged, com-
8 bined, or privatized entity, or entities, will be capa-
9 ble of conducting a broad range of programs,
10 projects, and services designed to achieve the pur-
11 poses of this subtitle as stated in section 672 con-
12 sistent with the comprehensive needs assessments
13 for the areas served.

14 “(4) STATE DETERMINATION.—If a State de-
15 termines that a merged, combined, or privatized en-
16 tity or entities will be capable of conducting a broad
17 range of programs, projects, and services as speci-
18 fied in subsection (b)(3) above, it shall designate the
19 merged, combined, or privatized entity or entities to
20 serve the area(s) in question without soliciting appli-
21 cations from other entities.

22 “(c) TRIPARTITE BOARDS.—

23 “(1) PRIVATE, NONPROFIT ORGANIZATIONS.—

24 “(A) BOARD.—In order for a private, non-
25 profit organization to be considered to be an eli-

1 gible entity for purposes of section 673(6), the
2 entity shall be governed by a tripartite board of
3 directors described in subparagraph (C) that
4 fully participates in the development, planning,
5 implementation, oversight, and evaluation of the
6 programs, projects, and services carried out or
7 provided through the subgrant made under sec-
8 tion 679(a)(1) and all activities of the entity.

9 “(B) SELECTION.—The members of the
10 board referred to in subparagraph (A) shall be
11 selected by the private, nonprofit organization.

12 “(C) COMPOSITION OF BOARD.—The board
13 shall be composed so as to assure that—

14 “(i) $\frac{1}{3}$ of the members of the board
15 are elected public officials holding office on
16 the date of selection, or their representa-
17 tives (but if an elected public official
18 chooses not to serve, such official may des-
19 ignate a representative to serve as the vot-
20 ing board member);

21 “(ii)(I) not fewer than $\frac{1}{3}$ of the mem-
22 bers are persons chosen in accordance with
23 democratic selection procedures adequate
24 to assure that the members referred to in
25 this clause are representative of low-income

1 individuals and families in the service area;
2 and

3 “(II) each member who is a represent-
4 ative of low-income individuals and families
5 and is also selected to represent a specific
6 geographic area under subclause (I) resides
7 in such area; and

8 “(iii) the remainder of the members
9 may be comprised of representatives from
10 business, industry, labor, religious, edu-
11 cational, charitable, or other significant
12 private groups in the community.

13 “(D) EXPERTISE.—The eligible entity
14 shall ensure that the members of the board in-
15 clude, or have direct access to, individuals with
16 expertise in financial management, accounting,
17 and law.

18 “(E) COMPLIANCE WITH TAX-EXEMPT AND
19 OTHER REQUIREMENTS.—The board of a pri-
20 vate, nonprofit organization shall ensure that
21 the board operates and conducts activities
22 under the subgrant made under section
23 679(a)(1) in a manner that complies with—

24 “(i) the requirements for maintaining
25 tax-exempt status under section 501(a) of

1 the Internal Revenue Code of 1986 (26
2 U.S.C. 501(a)) regarding the governance
3 of charities under section 501(c)(3) of the
4 Internal Revenue Code of 1986 (26 U.S.C.
5 501(c)(3)); and

6 “(ii) applicable requirements of State
7 nonprofit corporation law.

8 “(2) PUBLIC ORGANIZATIONS.—

9 “(A) BOARD.—In order for a local public
10 (governmental) entity to be considered to be an
11 eligible entity for purposes of section 673(6),
12 the entity shall ensure that the programs,
13 projects, and services carried out or provided
14 through the subgrant made under section
15 679(a)(1) are administered under the super-
16 vision of a tripartite board described in sub-
17 paragraph (C) that fully participates in the de-
18 velopment, planning, implementation, oversight,
19 and evaluation of such programs, projects, and
20 services.

21 “(B) SELECTION.—The members of the
22 board referred to in subparagraph (A) shall be
23 selected by the local public entity.

24 “(C) COMPOSITION OF BOARD.—The board
25 shall be composed so as to assure that—

1 “(i) not more than $\frac{1}{3}$ of the members
2 of the board are employees or officials, in-
3 cluding elected officials, of the unit of gov-
4 ernment in which the organization is lo-
5 cated;

6 “(ii)(I) not fewer than $\frac{1}{3}$ of the mem-
7 bers are persons chosen in accordance with
8 democratic selection procedures adequate
9 to assure that the members referred to in
10 this clause are representative of low-income
11 individuals and families in the service area;
12 and

13 “(II) each member who is a represent-
14 ative of low-income individuals and families
15 and is also selected to represent a specific
16 geographic area under subclause (I) resides
17 in such area; and

18 “(iii) the remainder of the members
19 may be comprised of representatives from
20 business, industry, labor, religious, edu-
21 cational, charitable, or other significant
22 private groups in the community.

23 “(D) EXPERTISE.—The organization shall
24 ensure that the members of the board include
25 or have direct access to individuals with exper-

1 tise in financial management, accounting, and
2 law.

3 “(E) COMPLIANCE WITH STATE REQUIRE-
4 MENTS AND POLICY.—The board of a public or-
5 ganization shall ensure that the board operates
6 in a manner that complies with State require-
7 ments for open meetings, financial trans-
8 parency, and State open records policy.

9 “(3) SAFEGUARD.—Neither the Federal Gov-
10 ernment nor a State or local government shall re-
11 quire a religious organization to alter its form of in-
12 ternal governance, except (for purposes of adminis-
13 tration of the community services block grant pro-
14 gram) as provided in section 680(e).

15 “(d) OPERATIONS AND DUTIES OF THE BOARD.—
16 The duties of a board described in paragraph (1) or (2)
17 of subsection (c) shall include—

18 “(1) in the case of a board for a private, non-
19 profit organization that is an eligible entity, having
20 legal and financial responsibility for administering
21 and overseeing the eligible entity, including making
22 proper use of Federal funds;

23 “(2) establishing terms for officers and adopt-
24 ing a code of ethical conduct, including a conflict of
25 interest policy for board members;

1 “(3) participating in each comprehensive com-
2 munity needs assessment, developing and adopting
3 for the corresponding eligible entity an agency-wide
4 strategic plan, and preparing the community action
5 plan for the use of funds under this subtitle;

6 “(4) approving the eligible entity’s operating
7 budget;

8 “(5) reviewing all major policies of the eligible
9 entity, including conducting (for private, nonprofit
10 organizations that are eligible entities) and partici-
11 pating in (for local public entities that are eligible
12 entities) annual performance reviews of the eligible
13 entity’s chief executive officer (or individual holding
14 an equivalent position);

15 “(6) conducting assessments of the eligible enti-
16 ty’s progress in carrying out programmatic and fis-
17 cal provisions in the community action plan, and in
18 taking any corrective action; and

19 “(7) adopting (for private, nonprofit organiza-
20 tions that are eligible entities) and reviewing (for
21 local public entities that are eligible entities) per-
22 sonnel policies and procedures, including policies and
23 procedures for hiring, annual evaluation, compensa-
24 tion, and termination, of the eligible entity’s chief

1 executive officer (or individual holding a similar po-
2 sition).

3 **“SEC. 681. OFFICE OF COMMUNITY SERVICES.**

4 “(a) OFFICE.—

5 “(1) ESTABLISHMENT.—The Secretary shall es-
6 tablish an Office of Community Services in the De-
7 partment to carry out the functions of this subtitle.

8 “(2) DIRECTOR.—The Office shall be headed by
9 a Director (referred to in this section as the ‘Direc-
10 tor’).

11 “(b) GRANTS, CONTRACTS, AND COOPERATIVE
12 AGREEMENTS.—The Secretary, acting through the Direc-
13 tor, shall carry out the functions of this subtitle through
14 grants, contracts, or cooperative agreements.

15 **“SEC. 682. TRAINING, TECHNICAL ASSISTANCE, AND RE-
16 LATED ACTIVITIES.**

17 “(a) ACTIVITIES.—

18 “(1) IN GENERAL.—The Secretary shall—

19 “(A) use amounts reserved under section
20 691(c)(2) for training, technical assistance,
21 planning, evaluation, and performance measure-
22 ment, as described in this section and in sec-
23 tions 684 and 686, to assist States, eligible en-
24 tities, and other community services network
25 organizations in—

1 “(i) building and using evidence de-
2 signed to reduce poverty conditions, includ-
3 ing through development and dissemina-
4 tion of information about clearinghouses
5 and other resources that identify relevant
6 evidence-based initiatives, for use in con-
7 nection with the Community Action Inno-
8 vations Program established under para-
9 graph (2);

10 “(ii) carrying out professional develop-
11 ment activities that expand the capacity of
12 eligible entities;

13 “(iii) carrying out performance meas-
14 urement, reporting, and data collection ac-
15 tivities related to programs, projects, and
16 services carried out under this subtitle; and

17 “(iv) correcting programmatic defi-
18 ciencies, including such deficiencies of eli-
19 gible entities; and

20 “(B) distribute the amounts reserved
21 under section 691(c)(2)(A) through grants, con-
22 tracts, or cooperative agreements with entities,
23 organizations, and associations described in
24 subsection (b) for—

1 “(i) professional development for key
2 community services network organization
3 personnel;

4 “(ii) activities to improve community
5 services network organization program, fi-
6 nancial management, compliance, and gov-
7 ernance practices (including practices re-
8 lated to performance management informa-
9 tion systems);

10 “(iii) activities that train community
11 services network organizations and their
12 staff and board members to effectively ad-
13 dress the needs of low-income families and
14 communities through place-based strategies
15 that address local causes and conditions of
16 poverty through coordinated investment
17 and integrated service delivery; and

18 “(iv) activities that train community
19 services network organizations in building
20 and using evidence designed to reduce pov-
21 erty conditions and that support effective
22 administration of funds under the Commu-
23 nity Action Innovations Program estab-
24 lished under paragraph (2).

1 “(2) INNOVATIVE AND EVIDENCE-BASED
2 PROJECTS TO REDUCE POVERTY.—

3 “(A) IN GENERAL.—The Secretary shall
4 use amounts reserved under section 691(e)(3)
5 for a Community Action Innovations Program
6 to—

7 “(i) award grants, contracts, or coop-
8 erative agreements to eligible entities, their
9 associations, or consortia of such entities
10 or associations, to facilitate innovation and
11 use of evidence-based practice (as defined
12 in section 673(7)) designed to reduce pov-
13 erty conditions, including through whole
14 family approaches that create opportunities
15 for, and address the needs of, parents and
16 children together; and

17 “(ii) disseminate results for public
18 use.

19 “(B) PROJECTS.—The Secretary shall
20 award funds from its Community Action Inno-
21 vations Program for projects to enable—

22 “(i) replication and/or expansion of in-
23 novative practices with demonstrated evi-
24 dence of effectiveness, with priority given
25 to those with the strongest evidence base

1 as determined through a broad review of
2 available studies; and/or

3 “(ii) testing of innovative practices to
4 determine their effectiveness, with priority
5 given to those incorporating rigorous, inde-
6 pendent evaluation to further build the evi-
7 dence base.

8 “(C) USE OF FUNDS.—The funds reserved
9 for use under this paragraph may be used by
10 grantees for resources or activities necessary to
11 replicate, expand, or test innovative and evi-
12 dence-based practices, including costs of train-
13 ing and technical assistance, evaluation, data
14 collection, and technology.

15 “(D) EXPENSES.—The funds reserved for
16 use under this paragraph may be used for rea-
17 sonable expenses of grantees, associated with
18 administration of projects and dissemination of
19 their results.

20 “(E) AWARDS AND OBLIGATION.—The
21 Secretary shall award and obligate funds re-
22 served for projects under this paragraph during
23 the first program year for which the funds are
24 appropriated. Grant funds awarded under this
25 paragraph shall remain available for expendi-

1 ture by the grantee for up to 36 months after
2 the date of award by the Secretary, unless a
3 longer period of availability is approved by the
4 Secretary based on extenuating circumstances
5 and demonstrated evidence of effectiveness.

6 “(F) MATCHING REQUIREMENTS.—In the
7 case of innovative projects that are funded in
8 part by funds authorized under a Federal law
9 (other than this subtitle), that includes require-
10 ments for matching the Federal funds with
11 non-Federal funds, funds made available for use
12 under this paragraph may be deemed to be non-
13 Federal funds for purposes of the requirements
14 of such law.

15 “(b) ELIGIBLE ENTITIES, ORGANIZATIONS, AND AS-
16 SOCIATIONS.—Eligible entities, organizations, and associa-
17 tions described in this subsection shall include eligible en-
18 tities and other community services network organizations
19 (and their partners, including institutions of higher edu-
20 cation), with demonstrated expertise in providing training
21 for individuals and organizations on methods of effectively
22 addressing the needs of low-income families and commu-
23 nities.

24 “(c) TRAINING AND TECHNICAL ASSISTANCE PROC-
25 ESS.—The process for determining the training and tech-

1 nical assistance to be carried out under this section
2 shall—

3 “(1) ensure that the needs of eligible entities
4 and programs relating to improving program quality
5 (including quality of financial management prac-
6 tices) are addressed to the maximum extent feasible;
7 and

8 “(2) incorporate mechanisms to ensure respon-
9 siveness to local needs, including an ongoing proce-
10 dure for obtaining input from the national and State
11 networks of eligible entities.

12 **“SEC. 683. STATE MONITORING OF ELIGIBLE ENTITIES.**

13 “In order to determine whether eligible entities re-
14 ceiving subgrants under this subtitle meet performance
15 goals, administrative standards, financial management re-
16 quirements, and other requirements under this subtitle,
17 the State shall conduct the following reviews of eligible
18 entities:

19 “(1) A full onsite review of each eligible entity
20 at least once during each 3-year period.

21 “(2) An onsite review of each newly designated
22 eligible entity immediately after the completion of
23 the first year in which such entity receives funds
24 through the community services block grant program
25 under this subtitle.

1 “(3) Followup reviews, including onsite reviews
2 scheduled in a corrective action plan (including re-
3 turn visits), within a calendar quarter for eligible en-
4 tities with programs, projects, or services that fail to
5 meet the State’s performance criteria, standards, fi-
6 nancial management requirements, and other signifi-
7 cant requirements established under this subtitle.

8 “(4) Other reviews as appropriate, including re-
9 views of eligible entities with programs, projects, and
10 services that have had other Federal, State, or local
11 grants (other than assistance provided under this
12 subtitle) terminated for cause.

13 **“SEC. 684. EVALUATIONS; CORRECTIVE ACTION; WITH-**
14 **HOLDING, REDUCTION, OR ELIMINATION OF**
15 **FUNDING.**

16 “(a) EVALUATIONS OF STATES BY THE SEC-
17 RETARY.—

18 “(1) IN GENERAL.—The Secretary shall con-
19 duct, in not fewer than $\frac{1}{3}$ of the States in each fis-
20 cal year, evaluations (including investigations) of
21 State compliance with this subtitle, including re-
22 quirements relating to the use of funds received
23 under this subtitle, and especially with respect to
24 compliance with the requirements of State plans
25 submitted under section 678(b) and the uniform ad-

1 ministrative requirements, cost principles, and audit
2 requirements described in section 674(c) as applied
3 to funds received under this subtitle, including, but
4 not limited to, advance payment of such funds to eli-
5 gible entities, consistent with the Uniform Guidance.

6 “(2) REPORT TO STATES.—The Secretary shall
7 submit to each State evaluated, and make available
8 to the public, a report containing—

9 “(A) the results of such evaluation; and

10 “(B)(i) recommendations for improvements
11 designed to enhance the benefit and impact of
12 the activities carried out with such funds; and

13 “(ii) in the event a serious deficiency is
14 found regarding a State’s compliance with this
15 subtitle, including requirements relating to the
16 use of funds received under this subtitle, a pro-
17 posed corrective action plan.

18 “(3) STATE RESPONSE.—Not later than 45
19 days after receiving a report under paragraph (2)—

20 “(A) a State that received recommenda-
21 tions under paragraph (2)(B)(i) shall submit to
22 the Secretary and make available to the public
23 a plan of action in response to the recommenda-
24 tions; and

1 “(B) a State that received a proposed cor-
2 rective action plan under paragraph (2)(B)(ii)
3 shall agree to implement the corrective action
4 plan proposed by the Secretary or propose to
5 the Secretary and make available to the public
6 a different corrective action plan, developed by
7 the State in a timely manner that the State will
8 implement upon approval by the Secretary.

9 “(4) REPORT TO CONGRESS.—The Secretary
10 shall submit the results of the evaluations annually,
11 as part of the report submitted by the Secretary in
12 accordance with section 686(b)(2).

13 “(5) ENFORCEMENT.—

14 “(A) REDUCTION OR ELIMINATION OF
15 FUNDING.—If the Secretary determines, in a
16 final decision on the basis of an evaluation con-
17 ducted under this section, that a State fails to
18 meet the requirements of this subsection, the
19 Secretary may, after providing adequate notice
20 and an opportunity for a hearing, initiate pro-
21 ceedings to reduce or eliminate the amount of
22 funding apportioned and allocated to the State
23 as described in section 675 or 676, as applica-
24 ble (and, if necessary, de-obligate such fund-
25 ing).

1 “(B) DIRECT AWARDS TO OTHER ENTI-
2 TIES.—

3 “(i) REDUCTION OR ELIMINATION OF
4 STATE FUNDING; LACK OF APPROVED
5 STATE PLAN.—If the Secretary reduces or
6 eliminates funding to a State under sub-
7 paragraph (A), the Secretary shall award
8 funding directly, in the amount by which
9 funding to the State was reduced or elimi-
10 nated, as provided under clauses (ii) and
11 (iii) below. If, for a particular fiscal year,
12 a State plan is not approved by the Sec-
13 retary in accordance with section 678(c),
14 the Secretary may award funding directly,
15 in the amount the State would have re-
16 ceived had the plan been approved, as pro-
17 vided under clauses (ii) and (iii) below.

18 “(ii) DIRECT FUNDING TO ELIGIBLE
19 ENTITIES.—In the event funding specified
20 in section 679(a)(1) is reduced or elimi-
21 nated due to the Secretary’s reduction or
22 elimination of funding under subparagraph
23 (A) or if the Secretary chooses to award
24 funding directly due to the lack of an ap-
25 proved State plan as authorized in clause

1 (i) above, the Secretary shall award finan-
2 cial assistance in the amount of such re-
3 duced or eliminated funding, or in the
4 amount the State would have received had
5 a State plan been approved, directly (by
6 grant or cooperative agreement) to affected
7 eligible entities (provided that any such en-
8 tity has not had its funding under this
9 subtitle eliminated or its designation as an
10 eligible entity terminated by the State in
11 accordance with subsections (b) and (c) of
12 section 684) to carry out the activities de-
13 scribed in section 679(c); in awarding such
14 funding, the Secretary shall ensure that
15 each such affected eligible entity receives
16 the same proportionate share of funding
17 under section 679(a)(1) that it received in
18 the prior fiscal year.

19 “(iii) STATEWIDE FUNDS.—In the
20 event funding specified in section 679(b) is
21 reduced or eliminated due to the Sec-
22 retary’s reduction or elimination of funding
23 under subparagraph (A) or if the Secretary
24 chooses to award funding directly due to
25 the lack of an approved State plan as au-

1 thorized in clause (i) above, the Secretary
2 shall award amounts equal to the amounts
3 of such reduced or eliminated funds, or to
4 the amounts the State would have received
5 had a State plan been approved, directly
6 by grant or cooperative agreement to com-
7 munity services network organizations in
8 the State (other than the State itself) for
9 the purposes specified in section 679(b)(1).

10 “(iv) REDUCTION.—In the case of di-
11 rect funding as provided in this subpara-
12 graph (B), the Secretary shall reduce fund-
13 ing the State would otherwise have re-
14 ceived under section 675 or 676 (and, if
15 necessary, de-obligate such funding) for
16 the appropriate fiscal year by an amount
17 equal to the financial assistance provided
18 directly by the Secretary to such eligible
19 entities and community services network
20 organizations.

21 “(6) TRAINING AND TECHNICAL ASSISTANCE.—
22 The Secretary, through the Department’s own em-
23 ployees or contractors (rather than under grants,
24 contracts, or cooperative agreements issued under
25 section 682), shall provide training and technical as-

1 sistance to States with respect to the development or
2 implementation of the States' corrective action
3 plans.

4 “(b) DETERMINATION OF ELIGIBLE ENTITY FAIL-
5 URE TO COMPLY.—

6 “(1) CORRECTIVE ACTION BY ELIGIBLE ENTI-
7 TIES.—If the State determines, on the basis of a re-
8 view pursuant to section 683 or section 685, that
9 there is a serious deficiency regarding an eligible en-
10 tity's compliance with this subtitle, the State shall
11 inform the entity of the serious deficiencies that
12 shall be corrected and provide technical assistance
13 for the corrective action.

14 “(2) ELIGIBLE ENTITY CORRECTIVE ACTION
15 PLANS.—An eligible entity that is found to have a
16 serious deficiency under paragraph (1) shall develop,
17 in a timely manner, a corrective action plan that
18 shall be subject to the approval of the State, and
19 that shall specify—

20 “(A) the deficiencies to be corrected;

21 “(B) the actions to be taken to correct
22 such deficiencies; and

23 “(C) the timetable for accomplishment of
24 the corrective actions specified.

1 “(3) FINAL DECISION.—If the State deter-
2 mines, on the basis of a final decision in a review
3 conducted under section 683, that an eligible entity
4 fails to comply with the terms of a corrective action
5 plan under paragraph (2) relating to correction of a
6 serious deficiency for the eligible entity, the State
7 may, after providing adequate notice and an oppor-
8 tunity for a hearing, initiate proceedings to withhold,
9 reduce, or eliminate the funding provided under sec-
10 tion 679(a)(1) to the eligible entity (including, in the
11 case of elimination of funding, terminating the des-
12 ignation under this subtitle of the eligible entity) un-
13 less the entity corrects the serious deficiency.

14 “(c) REVIEW.—A State’s decision to withhold, re-
15 duce, or eliminate funding, or to terminate the designation
16 of an eligible entity (or eligible entities, as applicable) may
17 be reviewed by the Secretary. Upon request by a commu-
18 nity services network organization, the Secretary shall re-
19 view such a determination. The review shall be completed
20 not later than 60 days after the Secretary receives from
21 the State all necessary documentation relating to the de-
22 termination.

23 “(d) DIRECT ASSISTANCE.—Whenever the Secretary
24 determines that a State has violated the State plan de-
25 scribed in section 678(b) (including, but not limited to,

1 the assurance described in section 678(b)(6)) and the
2 State has withheld, reduced, or eliminated the funding
3 provided under section 679(a) to any eligible entity or en-
4 tities or terminated the eligible entity designation of any
5 eligible entity or entities prior to the completion of the
6 State proceedings described in section 678(b)(6) (includ-
7 ing, where applicable, the proceedings required by sub-
8 section (b) of this section 684) and the Secretary’s review
9 as required by subsection (c) of this section 684, the Sec-
10 retary may provide financial assistance under this subtitle
11 to the affected eligible entity or entities directly until the
12 violation is corrected by the State. In such a case, the Sec-
13 retary may reduce funding the State would otherwise have
14 received under section 675 or 676 (and, if necessary, de-
15 obligate such funding) for the appropriate fiscal year by
16 an amount equal to the financial assistance provided di-
17 rectly by the Secretary to such eligible entity or entities.

18 **“SEC. 685. STATE AND LOCAL FISCAL CONTROLS AND AU-**

19 **DITS.**

20 “(a) FISCAL CONTROLS, PROCEDURES, AUDITS, AND
21 INSPECTIONS.—A State that receives funds under this
22 subtitle shall—

23 “(1) establish fiscal control and fund account-
24 ing procedures necessary to assure the proper dis-
25 bursal of, and accounting for, Federal funds paid to

1 the State under this subtitle, including procedures
2 for monitoring the funds provided under this sub-
3 title;

4 “(2) in accordance with subsections (b) and (c),
5 prepare, not less than once each year, an audit of
6 the expenditures of the State of amounts received
7 under this subtitle; and

8 “(3) make appropriate books, documents, pa-
9 pers, and records available to the Secretary and the
10 Comptroller General of the United States, or any of
11 their duly authorized representatives, for examina-
12 tion, copying, or mechanical reproduction on or off
13 the premises of the appropriate entity upon a rea-
14 sonable request for the items.

15 “(b) INDEPENDENT ENTITY.—Subject to subsection
16 (c), each audit required by subsection (a)(2) shall be con-
17 ducted by an entity independent of any agency admin-
18 istering activities or services under this subtitle and shall
19 be conducted in accordance with generally accepted ac-
20 counting principles.

21 “(c) SINGLE AUDIT REQUIREMENTS.—

22 “(1) IN GENERAL.—Any audit under this sub-
23 section shall be conducted in the manner and to the
24 extent provided in chapter 75 of title 31, United
25 States Code (commonly known as the ‘Single Audit

1 Act Amendments of 1984') except in the event a se-
2 rious financial deficiency is identified.

3 “(2) SERIOUS FINANCIAL DEFICIENCY.—In the
4 event that such a deficiency is identified, the Sec-
5 retary shall order—

6 “(A) an audit conducted as described in
7 subsection (a); or

8 “(B) an audit of each of the accounts in-
9 volved, in accordance with subsections (b) and
10 (d).

11 “(d) SUBMISSION OF COPIES.—Not later than 30
12 days after the completion of each such audit in a State,
13 the chief executive officer of the State shall submit copies
14 of such audit, at no charge, to any eligible entity that was
15 the subject of the audit, to the legislature of the State,
16 and to the Secretary.

17 “(e) REPAYMENTS.—If the Secretary, after review of
18 the audit, finds that a State has not expended an amount
19 of funds in accordance with this subtitle, the State shall
20 immediately use an amount of State funds equal to the
21 amount of improperly expended funds for the original pur-
22 poses for which the grant funds were intended.

23 “(f) RESPONSE TO COMPLAINTS.—The Secretary
24 shall respond in an expeditious manner to complaints of
25 a substantial or serious nature that a State has failed to

1 use grant funds received under section 675 or 676 or to
2 carry out State activities under this subtitle in accordance
3 with the provisions of this subtitle.

4 “(g) INVESTIGATIONS.—Whenever the Secretary de-
5 termines that there is a pattern of complaints regarding
6 failures described in subsection (f) or a complaint of a se-
7 rious deficiency concerning any State, the Secretary shall
8 conduct an investigation of the use of the funds received
9 under this subtitle by such State in order to ensure com-
10 pliance with the provisions of this subtitle.

11 **“SEC. 686. ACCOUNTABILITY AND REPORTING REQUIRE-**
12 **MENTS.**

13 “(a) STATE ACCOUNTABILITY AND REPORTING RE-
14 QUIREMENTS.—

15 “(1) PERFORMANCE MEASUREMENT.—

16 “(A) IN GENERAL.—Beginning with the
17 first fiscal year following the transition period
18 described in section 3 of the Community Serv-
19 ices Block Grant Modernization Act of 2021,
20 each State that receives funds under this sub-
21 title shall participate, and shall ensure that all
22 eligible entities in the State participate, in a re-
23 sults-oriented performance measurement system
24 that the Secretary is satisfied meets the re-
25 quirements of section 689(b)(1).

1 “(B) SUBCONTRACTORS.—The State may
2 elect to have subcontractors of the eligible enti-
3 ties under this subtitle participate in the re-
4 sults-oriented performance measurement sys-
5 tem. If the State makes that election, references
6 in this section to eligible entities shall be con-
7 sidered to include such subcontractors.

8 “(C) ELIGIBLE ENTITY REPORTS.—Eligi-
9 ble entities shall provide the results measured
10 by their performance measurement system and
11 such other reports as the State may require.

12 “(2) ANNUAL REPORT.—Each State receiving
13 funds under this subtitle shall annually prepare, and
14 submit to the Secretary by March 31 of each year,
15 a report on the performance of the State and eligible
16 entities in the State, including achievement with re-
17 spect to performance measurements that were used
18 by community service network organizations in the
19 State for the prior year. Each State shall also in-
20 clude in the report—

21 “(A) an accounting of the expenditure of
22 funds received by the State through the com-
23 munity services block grant program, including
24 an accounting of funds spent on administrative
25 or indirect costs by the State and the eligible

1 entities and funds spent by the eligible entities
2 on local programs, projects, and services;

3 “(B) information on the number and char-
4 acteristics of participants served under this sub-
5 title in the State, based on data collected from
6 the eligible entities;

7 “(C) a summary describing the training
8 and technical assistance offered by the State
9 under subparagraph (B) of section 679(b)(1)
10 during the year covered by the report;

11 “(D) information on the total budget and
12 activities of the eligible entities receiving sub-
13 grants from the State under this subtitle, in-
14 cluding local and private resources available for
15 a purpose described in section 672; and

16 “(E) a report on the manner in which the
17 State and eligible entities and other recipients
18 of funds under this subtitle have implemented
19 results-oriented management practices based on
20 their performance measurement systems.

21 “(b) REPORTING REQUIREMENTS.—

22 “(1) CONTENTS.—Not later than September 30
23 of each fiscal year, the Secretary shall, directly or by
24 grant or contract, prepare a report including—

1 “(A) the information included in the State
2 annual reports under subsection (a)(2) for the
3 preceding fiscal year;

4 “(B) a report on the performance of the
5 Department in the preceding fiscal year regard-
6 ing carrying out critical roles and responsibil-
7 ities under this subtitle, including with regard
8 to timeliness in apportioning and allotting ap-
9 propriated funds to States, approvals or notifi-
10 cations to States concerning State plans and
11 plan revisions, monitoring of States and imple-
12 mentation of State corrective action plans, and
13 implementation of the requirements of the uni-
14 form administrative requirements, cost prin-
15 ciples, and audit requirements described in sec-
16 tion 674(c) with respect to funds appropriated
17 and activities conducted under this subtitle by
18 the Department, the States, and other grantees;

19 “(C) a description of the training and tech-
20 nical assistance activities funded by the Sec-
21 retary under section 682 and the results of
22 those activities; and

23 “(D) a report on the Community Action
24 Innovations Program authorized under section
25 682(a)(2), including a description of training

1 and technical assistance funded by the Sec-
2 retary, the rationale for projects that received
3 support, a description of funded activities and
4 their results, and a summary of ways in which
5 the Program has expanded use of evidence-
6 based practice or contributed to building the
7 evidence base designed to reduce poverty condi-
8 tions.

9 “(2) SUBMISSION.—The Secretary shall submit
10 to the Committee on Education and Labor of the
11 House of Representatives and to the Committee on
12 Health, Education, Labor, and Pensions of the Sen-
13 ate the report described in paragraph (1) and any
14 recommendations the Secretary may have with re-
15 spect to such report.

16 “(3) ELECTRONIC DATA SYSTEM FOR REPORTS
17 TO STATES AND ELIGIBLE ENTITIES.—The Sec-
18 retary, through the Department’s own employees or
19 contractors (rather than under grants, contracts, or
20 cooperative agreements issued under section 682),
21 shall provide technical assistance, including support
22 for the development and maintenance of an elec-
23 tronic data system for the reports under this section,
24 to the States and eligible entities to enhance the
25 quality and timeliness of reports submitted under

1 this subtitle. The system shall be coordinated and
2 consistent with the data systems established for
3 other programs of the Department that are managed
4 by eligible entities, including all programs of the Ad-
5 ministration for Children and Families or successor
6 administrative units in which the office is located.

7 **“SEC. 687. LIMITATIONS ON USE OF FUNDS.**

8 “(a) CONSTRUCTION OF FACILITIES.—

9 “(1) LIMITATIONS.—Except as provided in
10 paragraph (2) and in section 690, grants or sub-
11 grants made under this subtitle may not be used by
12 the State, or by any other person with which the
13 State makes arrangements to carry out a purpose
14 described in section 672, for the purchase or im-
15 provement of land, or the purchase, construction or
16 permanent improvement of any building or other fa-
17 cility.

18 “(2) WAIVER.—The Secretary may waive the
19 limitation contained in paragraph (1) upon a State
20 request for such a waiver if the Secretary finds
21 that—

22 “(A) the request describes extraordinary
23 circumstances to justify the purchase or im-
24 provement of land, or the purchase, construc-

1 tion, or permanent improvement of any building
2 or other facilities; and

3 “(B) permitting the waiver will contribute
4 to the ability of the State and eligible entities
5 to carry out a purpose described in section 672
6 at substantially reduced costs.

7 “(b) POLITICAL ACTIVITIES.—

8 “(1) TREATMENT AS A STATE OR LOCAL AGEN-
9 CY.—For purposes of chapter 15 of title 5, United
10 States Code, any entity that assumes responsibility
11 for planning, developing, and coordinating activities
12 under this subtitle and receives assistance under this
13 subtitle shall be deemed to be a State or local agen-
14 cy. For purposes of paragraphs (1) and (2) of sec-
15 tion 1502(a) of such title, any entity receiving as-
16 sistance under this subtitle shall be deemed to be a
17 State or local agency.

18 “(2) PROHIBITIONS.—A program, project, or
19 service assisted under this subtitle, and any indi-
20 vidual employed by, or assigned to or in, such a pro-
21 gram, project, or service (during the hours in which
22 the individual is working on behalf of the program,
23 project, or service) shall not engage in—

24 “(A) any partisan or nonpartisan political
25 activity or any political activity associated with

1 a candidate, or contending faction or group, in
2 an election for public or party office; or

3 “(B) any activity to provide voters or pro-
4 spective voters with transportation to the polls
5 or similar assistance in connection with any
6 such election.

7 “(3) REGISTRATION.—None of the funds appro-
8 priated to carry out this subtitle may be used to con-
9 duct voter registration activities. Nothing in this
10 subtitle prohibits entities receiving assistance under
11 this subtitle from making its facilities available dur-
12 ing hours of operation for use by nonpartisan orga-
13 nizations to increase the number of eligible citizens
14 who register to vote in elections for Federal office.

15 “(c) NONDISCRIMINATION.—

16 “(1) IN GENERAL.—No person shall, on the
17 basis of race, color, national origin, or sex, be ex-
18 cluded from participation in, be denied the benefits
19 of, or be subjected to discrimination under, any pro-
20 gram, project, or service funded in whole or in part
21 with funds made available under this subtitle. Any
22 prohibition against discrimination on the basis of
23 age under the Age Discrimination Act of 1975 (42
24 U.S.C. 6101 et seq.) or with respect to an otherwise
25 qualified individual with a disability as provided in

1 section 504 of the Rehabilitation Act of 1973 (29
2 U.S.C. 794), or title II of the Americans with Dis-
3 abilities Act of 1990 (42 U.S.C. 12131 et seq.), shall
4 also apply to any such program, project, or service.

5 “(2) ACTION OF SECRETARY.—Whenever the
6 Secretary determines that a State that has received
7 a payment under this subtitle has failed to comply
8 with paragraph (1) or an applicable regulation, the
9 Secretary shall notify the chief executive officer of
10 the State and shall request that the officer secure
11 compliance. If within a reasonable period of time,
12 not to exceed 60 days, the chief executive officer
13 fails or refuses to secure compliance, the Secretary
14 is authorized to—

15 “(A) refer the matter to the Attorney Gen-
16 eral with a recommendation that an appropriate
17 civil action be instituted;

18 “(B) exercise the powers and functions
19 provided by title VI of the Civil Rights Act of
20 1964 (42 U.S.C. 2000d et seq.), the Age Dis-
21 crimination Act of 1975 (42 U.S.C. 6101 et
22 seq.), section 504 of the Rehabilitation Act of
23 1973 (29 U.S.C. 794), or title II of the Ameri-
24 cans with Disabilities Act of 1990 (42 U.S.C.
25 12131 et seq.), as may be applicable; or

1 “(C) take such other action as may be pro-
2 vided by law.

3 “(3) ACTION OF ATTORNEY GENERAL.—When a
4 matter is referred to the Attorney General pursuant
5 to paragraph (2), or whenever the Attorney General
6 has reason to believe that the State is engaged in a
7 pattern or practice of discrimination in violation of
8 the provisions of this subsection, the Attorney Gen-
9 eral may bring a civil action in any appropriate
10 United States district court for such relief as may
11 be appropriate, including injunctive relief.

12 **“SEC. 688. CHILD SUPPORT SERVICES AND REFERRALS.**

13 “During each fiscal year for which an eligible entity
14 receives a subgrant under section 679(a), such entity
15 shall—

16 “(1) inform custodial parents in single-parent
17 families that participate in programs, projects, or
18 services carried out or provided under this subtitle
19 about the availability of child support services; and

20 “(2) refer eligible parents to the child support
21 offices of State and local governments.

22 **“SEC. 689. REGULATIONS.**

23 “(a) REGULATIONS.—The Secretary shall promulgate
24 regulations implementing this subtitle, by administrative

1 hearing open to the public, including regulations regard-
2 ing—

3 “(1) State plans and community action plans,
4 including the form and information required for
5 State plans submitted to the Secretary and commu-
6 nity action plans submitted to States;

7 “(2) State monitoring of eligible entities; and

8 “(3) reports to the Secretary described in sec-
9 tion 686.

10 “(b) GUIDANCE.—

11 “(1) PERFORMANCE MEASUREMENT.—The Sec-
12 retary shall issue guidance regarding State and local
13 performance measurement systems. Guidance may
14 include one or more model performance measure-
15 ment systems, facilitated by the Secretary, that
16 States and eligible entities may use to measure their
17 performance in carrying out the requirements of this
18 subtitle and in achieving the goals of their commu-
19 nity action plans.

20 “(2) COMPREHENSIVE ANALYSIS OF POVERTY
21 CONDITIONS.—The Secretary shall provide guidance
22 (including models) for comprehensive community
23 needs assessments described in section 678(e)(1).
24 The guidance shall include methods for preparing an
25 analysis of all poverty conditions affecting a commu-

1 nity and of local and regional assets for alleviating
2 such conditions.

3 **“SEC. 690. DISCRETIONARY COMMUNITY PROGRAMS.**

4 “(a) GRANTS, CONTRACTS, ARRANGEMENTS, LOANS,
5 AND GUARANTEES.—

6 “(1) IN GENERAL.—The Secretary shall, from
7 funds appropriated under section 691(b), make
8 grants, loans, or guarantees to States and public
9 agencies and private, nonprofit organizations, or
10 enter into contracts or jointly financed cooperative
11 arrangements with States and public agencies and
12 private, nonprofit organizations (and for-profit orga-
13 nizations, to the extent specified in paragraph
14 (2)(E)) for each of the objectives described in para-
15 graphs (2) through (4).

16 “(2) COMMUNITY ECONOMIC DEVELOPMENT.—

17 “(A) ECONOMIC DEVELOPMENT ACTIVI-
18 TIES.—The Secretary shall make grants de-
19 scribed in paragraph (1) on a competitive basis
20 to private, nonprofit organizations that are
21 community development corporations to provide
22 technical and financial assistance for economic
23 development activities designed to address the
24 economic needs of low-income individuals and

1 families by creating employment and business
2 development opportunities.

3 “(B) CONSULTATION.—The Secretary
4 shall exercise the authority provided under sub-
5 paragraph (A) after consultation with other rel-
6 evant Federal officials.

7 “(C) GOVERNING BOARDS.—For a commu-
8 nity development corporation to receive funds to
9 carry out this paragraph, the corporation shall
10 be governed by a board that shall—

11 “(i) consist of residents of the com-
12 munity and business and civic leaders; and

13 “(ii) have as a principal purpose plan-
14 ning, developing, or managing low-income
15 housing or community development
16 projects.

17 “(D) GEOGRAPHIC DISTRIBUTION.—In
18 making grants to carry out this paragraph, the
19 Secretary shall take into consideration the geo-
20 graphic distribution of funding among States
21 and the relative proportion of funding among
22 rural and urban areas.

23 “(E) RESERVATION.—Of the amounts
24 made available to carry out this paragraph, the
25 Secretary may reserve not more than 1 percent

1 for each fiscal year to make grants to private,
2 nonprofit organizations or to enter into con-
3 tracts with private, nonprofit, or for-profit orga-
4 nizations to provide technical assistance to aid
5 community development corporations in devel-
6 oping or implementing activities funded to carry
7 out this paragraph and to evaluate activities
8 funded to carry out this paragraph.

9 “(3) RURAL COMMUNITY DEVELOPMENT AC-
10 TIVITIES.—The Secretary shall provide the assist-
11 ance described in paragraph (1) for rural community
12 development activities, which shall include pro-
13 viding—

14 “(A) grants to private, nonprofit corpora-
15 tions to enable the corporations to provide as-
16 sistance concerning home repair to rural low-in-
17 come families and concerning planning and de-
18 veloping low-income rural rental housing units;
19 and

20 “(B) grants to multistate, regional, pri-
21 vate, nonprofit organizations to enable the orga-
22 nizations to provide training and technical as-
23 sistance to small, rural communities concerning
24 meeting their community facility needs.

25 “(4) BROADBAND NAVIGATOR PROJECTS.—

1 “(A) NAVIGATOR PROJECT AUTHORITY.—
2 The Secretary is authorized to provide assist-
3 ance described in paragraph (1) for broadband
4 navigator projects consistent with the purposes
5 of this Act to address the educational and eco-
6 nomic needs of low-income individuals and com-
7 munities.

8 “(B) NAVIGATOR GRANTS.—The Secretary
9 shall make grants consistent with subparagraph
10 (A) to community action agencies (as defined in
11 section 673(2)) to enable them to provide as-
12 sistance through trained navigators to low-in-
13 come individuals and communities to help facili-
14 tate access to affordable high-speed broadband
15 service, internet-enabled devices, digital literacy
16 training, technical support and other services to
17 meet the broadband and digital needs of such
18 individuals and communities.

19 “(C) PRIORITY.—Priority in the awarding
20 of such grants under paragraph (4) shall be
21 given to community action agencies serving un-
22 derserved areas with the most significant unmet
23 broadband and digital needs.

24 “(b) EVALUATION.—The Secretary shall require all
25 activities receiving assistance under this section to be eval-

1 uated for their effectiveness. Funding for such evaluations
2 shall be provided as a stated percentage of the assistance
3 or through a separate grant awarded by the Secretary spe-
4 cifically for the purpose of evaluation of a particular activ-
5 ity or group of activities.

6 “(c) ANNUAL REPORT.—The Secretary shall compile
7 an annual report containing a summary of the evaluations
8 required under subsection (b) and a listing of all activities
9 assisted under this section. The Secretary shall annually
10 submit the report to the chairperson of the Committee on
11 Education and Labor of the House of Representatives and
12 the chairperson of the Committee on Health, Education,
13 Labor, and Pensions of the Senate.

14 **“SEC. 691. AUTHORIZATION OF APPROPRIATIONS.**

15 “(a) IN GENERAL.—There are authorized to be ap-
16 propriated to carry out this subtitle (not including section
17 690)—

18 “(1) \$1,000,000,000 for each of fiscal years
19 2022 through 2026; and

20 “(2) such sums as may be necessary for fiscal
21 years 2027 through 2031.

22 “(b) DISCRETIONARY PROGRAMS.—There are au-
23 thorized to be appropriated to carry out section 690 such
24 sums as may be necessary for fiscal years 2022 through
25 2031.

1 “(c) RESERVATIONS BY THE SECRETARY.—Of the
2 amounts appropriated under subsection (a) for each fiscal
3 year, the Secretary shall reserve—

4 “(1) $\frac{1}{2}$ of 1 percent for carrying out section
5 675 (relating to grants to territories);

6 “(2) 2 percent for activities authorized in sec-
7 tion 682(a)(1), of which—

8 “(A) not less than 50 percent of the
9 amount reserved by the Secretary under this
10 paragraph shall be awarded through grants,
11 contracts, or cooperative agreements to entities,
12 organizations, and associations described in sec-
13 tion 682(b), for the purpose of carrying out ac-
14 tivities described in section 682(a)(1)(B); and

15 “(B) the remainder of the amount reserved
16 by the Secretary under this paragraph may be
17 awarded through grants, contracts, or coopera-
18 tive agreements to entities, organizations, or co-
19 operative agreements to entities, organizations,
20 or associations described in section 682(b) or
21 other entities with demonstrated expertise in
22 providing training for individuals and organiza-
23 tions on methods of effectively addressing the
24 needs of low-income families and communities;
25 and

1 “(3) 1 percent for the Community Action Inno-
2 vations Program authorized in section 682(a)(2).

3 **“SEC. 692. REFERENCES.**

4 “Any reference in any provision of law to the poverty
5 line set forth in section 624 or 625 of the Economic Op-
6 portunity Act of 1964 shall be construed to be a reference
7 to the poverty line defined in section 673 of this subtitle.
8 Any reference in any provision of law to the poverty line
9 defined in section 673(2) of the Community Services
10 Block Grant Act as in effect immediately before the effec-
11 tive date of this subtitle shall be construed to be a ref-
12 erence to the poverty line defined in section 673(9) of this
13 subtitle. Except as otherwise provided, any reference in
14 any provision of law to any community action agency des-
15 ignated under title II of the Economic Opportunity Act
16 of 1964 shall be construed to be a reference to an entity
17 eligible to receive funds under the community services
18 block grant program.”.

19 **SEC. 3. TRANSITION PERIOD.**

20 (a) TRANSITION PERIOD.—The Secretary of Health
21 and Human Services shall expeditiously announce a tran-
22 sition period for the implementation of any changes in reg-
23 ulations, procedures, and reporting requirements of the
24 Community Services Block Grant Act (42 U.S.C. 9901 et
25 seq.) as amended by this Act, from the regulations, proce-

1 dures, and reporting requirements of the Community
2 Services Block Grant Act (42 U.S.C. 9901 et seq.) as in
3 effect immediately before the date of enactment of this
4 Act.

5 (b) UNIFORM ADMINISTRATIVE REQUIREMENTS,
6 COST PRINCIPLES, AND AUDIT REQUIREMENTS; FED-
7 ERAL TRAINING.—The transition period shall include—

8 (1) a schedule for implementation of require-
9 ments relating to adoption of the uniform adminis-
10 trative requirements, cost principles, and audit re-
11 quirements described in section 674(c) of the Com-
12 munity Services Block Grant Act (42 U.S.C. 9901)
13 as amended by this Act; and

14 (2) the availability of Federal training for
15 States and eligible entities regarding compliance
16 with new requirements under the Community Serv-
17 ices Block Grant Act (42 U.S.C. 9901 et seq.) as
18 amended by this Act.

19 (c) TIMING.—The transition period described in this
20 section—

21 (1) may not extend later than the date that is
22 3 months prior to the start of the second fiscal year
23 after the date of enactment of the Community Serv-
24 ices Block Grant Modernization Act of 2021; and

1 (2) may require that certain regulations, proce-
2 dures, and reporting requirements be adopted before
3 other regulations, procedures, or reporting require-
4 ments.

5 **SEC. 4. CONFORMING AMENDMENTS.**

6 Section 306(a)(6)(C)(ii) of the Older Americans Act
7 of 1965 (42 U.S.C. 3026(a)(6)(C)(ii)) is amended by in-
8 serting “or subsequent years” after “fiscal year 1982”
9 and by striking “section 676B of the Community Services
10 Block Grant Act” and inserting “section 680(c) of the
11 Community Services Block Grant Act”.

○